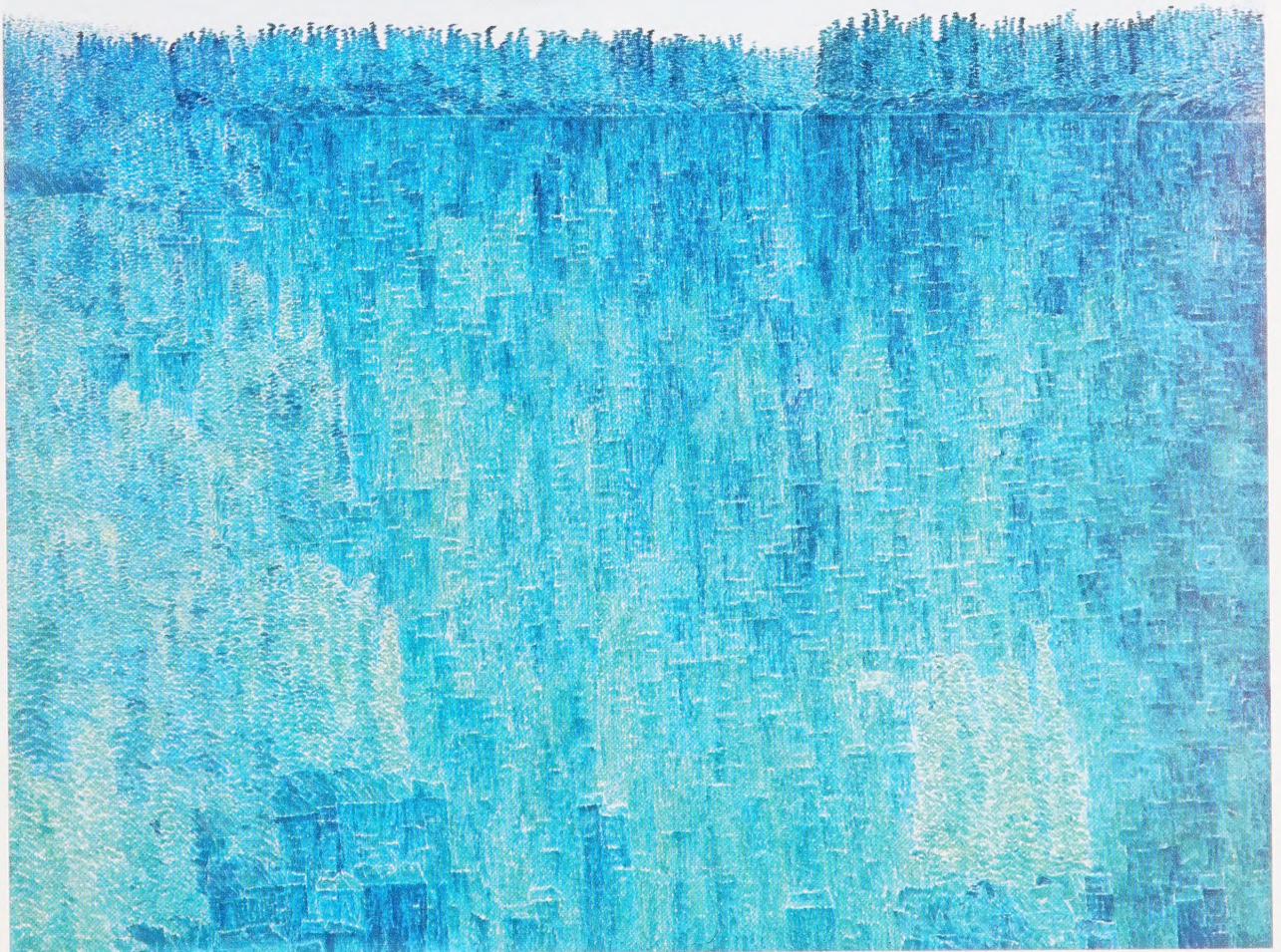


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THE IMPERIAL LIFE      REVIEW  
ASSURANCE COMPANY      FOR THE YEAR 1974  
OF CANADA

AR28



The picture reproduced on the front cover is in Imperial Life's collection of contemporary Canadian art. The painting, entitled Lake Reflections, is the work of Kazuo Nakamura. Mr. Nakamura was born in Vancouver and now lives in Toronto. He is also represented in the collections of the National Gallery of Canada, the Art Gallery of Ontario, the Department of External Affairs, Ottawa and the Museum of Modern Art, New York.



## REVIEW OF 1974

# The Imperial Life

## Assurance Company of Canada



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### Board of Directors

A. ROSS POYNTZ, F.C.I.A. <i>Chairman of the Board</i>	G. KINGSLEY FOX, F.C.I.A. <i>President</i>	PAUL DESMARAIS <i>Vice-President and Chairman of the Executive Committee of the Board</i>
JOHN B. W. CARMICHAEL <i>Toronto</i>	FRANK E. CASE <i>Montreal</i>	MAURICE GERMAIN <i>Montreal</i>
J. DOUGLAS GIBSON, O.B.E. <i>Toronto</i>	LAWRENCE G. GREENWOOD <i>Montreal</i>	WILLIAM C. HARRIS <i>Toronto</i>
SIR HENRY JOHNSON, K.B.E. <i>London, England</i>	MAXWELL W. MACKENZIE, O.C., C.M.G., C.A. <i>Ottawa</i>	THE HON. WALTER S. OWEN, Q.C. <i>Victoria</i>
JEAN PARISIEN, C.A. <i>Montreal</i>	T. O. PETERSON <i>Georgeville, Quebec</i>	RENAULT ST-LAURENT, Q.C. <i>Quebec</i>
G. HARRY SHEPPARD <i>Toronto</i>	W. DENT SMITH <i>Wilmington, Delaware</i>	DONALD J. WILKINS <i>Toronto</i>

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## Imperial Life Comparative Figures

	<u>1974</u>	<u>1973</u>
New individual insurance sold - - - -	\$ 636,651,000	\$ 583,055,000
New group life and annuities - - - -	325,484,000	299,770,000
Total new insurance sold - - - - -	962,135,000	882,825,000
Annual premiums from new sales of individual life and health - - - -	10,830,000	10,254,000
New single premiums - - - - -	8,479,000	11,588,000
New group insurance premiums - - - -	4,878,000	6,669,000
✓ Total new premiums - - - - -	24,187,000	28,511,000
✓ Total insurance in force at year-end - -	4,963,307,000	4,286,669,000
Death claim payments - - - - -	15,571,000	13,480,000
Dividends to policyholders - - - - -	9,556,000	8,990,000
Total payments to policyholders and beneficiaries - - - - -	63,000,000	56,319,000
✓ Total premium income - - - - -	98,389,000	91,550,000
Income from net interest, dividends and rent after investment expenses - -	38,763,000	35,597,000
Total assets including subsidiary companies - - - - -	654,244,000	621,051,000
Earnings per share - - - - -	4.47	6.01
Net interest rate earned - - - - -	7.16%	6.93%

## A Review of 1974 Our 77th Year

### New Business

The volume of new life insurance and annuity business written in 1974 amounted to \$962,135,000, an increase of 9% over 1973. Included in this amount was \$636,651,000 on individual lives and \$325,484,000 from group life insurance and annuities.

New business on individual lives (including health insurance) produced yearly premiums of \$10,830,000 and single premiums of \$8,479,000. New group insurance sales accounted for premiums of \$4,878,000.

The pattern of new sales reflects a growing trend in favour of the traditional types of policies with guaranteed values and a diminished interest in equity-linked plans. There were significant increases in the year in new premium income from the sale of individual life plans, personal health insurance plans, group life insurance plans and group permanent (franchise) plans. In Great Britain, there was a substantial increase in the sale of group income replacement and pension contracts and, in the United States, group insurance products accounted for an increasing proportion of the new business written.

### Business in Force

The year ended with \$4,963,307,000 of life insurance in force, including \$1,924,031,000 of group life insurance and annuities. Health insurance contracts in force at the end of the year had yearly premiums of \$12,692,000.

The \$5 billion mark in life insurance in force was passed early in 1975. To achieve the Company's first billion of insurance in force required 60 years. It took approximately one and a half years to add the fifth billion.

### Income and Benefits

Total life and health account revenue in 1974, excluding segregated asset funds, amounted to \$124,491,000. This represents an increase over the previous year of 9%. The net increase in respect of segregated asset fund accounts, at \$6,162,000, was lower than in the preceding year due entirely to the decline in market values in 1974.

Benefit payments to policyholders and beneficiaries during 1974 amounted in aggregate to \$63,000,000. Mortality experience in the year was favourable. Death claims, at \$15,571,000, were slightly higher than in 1973.

Health claims' experience was less favourable than in 1973. Disability and health insurance claim payments amounted to \$8,429,000, an increase of 20%.

Surrender value payments, the other major component of policyholders' benefits, amounted to \$20,345,000. This was an increase of 11% over 1973.

The amount allocated to policyholders' dividends in 1974 was \$9,556,000. This allocation, which exceeded the previous year by 6%, provided for dividends paid during the year and the increase in the provision for dividends to be paid in 1975.

### Investments

The year 1974 saw the distortions and stresses of uncontrolled inflation finally take their toll of the major world economies. The extra pressures of multiplying world petroleum prices, following the Arab oil embargo, disrupted the balance of payments and trade patterns for the oil importing nations. The further acceleration of inflation to double-digit figures brought about a serious decline in economic activity. The world now faces the problems of a deepening recession and governments have turned to expansionary monetary and fiscal policies to combat its effects. Inflationary forces, however, are still in evidence, particularly in the area of wage demands. This unusual coupling of recession with inflation played havoc with investment markets. Interest rates rose sharply to new high levels and world stock markets suffered declines.

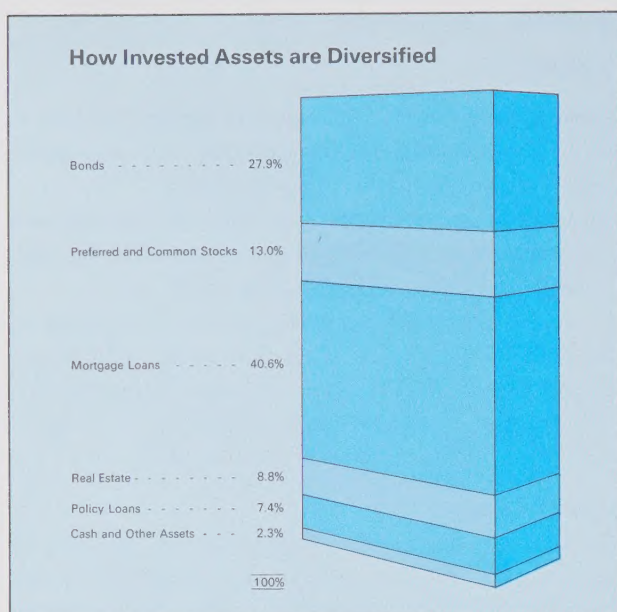
The most direct effect on the Company's investment flows was a further marked increase in demand for policy loans, especially in Canada. In all, 1974 saw more than \$15,150,000 in new loans to policyholders, with policy loan balances, after repayments, increasing by \$7,188,000.

The Company's available investment funds were also affected by the substantially higher termination payments, a reduction of funds on deposit and higher operating costs brought on by inflation.

Mortgages continued to claim the largest share of the Company's investment funds. More than \$38,000,000 was disbursed in new mortgage loans, primarily in Canada and the Bahamas. In 1974, mortgages held in the Company's general funds increased by \$12,644,000 while mortgages in segregated funds increased by \$6,360,000.

During the year, the Company introduced a very successful mortgage prepayment scheme in Canada which allowed borrowers a discount for prepayment





of lower interest rate loans. This produced over \$1,700,000 for reinvestment by the Company at the higher current rates of interest.

Bond investments rose \$3,942,000, primarily reflecting further debenture advances to Imperial Life's unconsolidated joint property development companies in Great Britain.

With stock markets in disarray virtually all year, additions to the Company's stock investments were limited to just over \$500,000. High cash reserve ratios were maintained throughout the year in the Company's various segregated equity funds and at the end of the year these funds held substantial buying reserves available for use when market conditions seem more appropriate.

The Company's net direct new investment in real estate in 1974 was approximately \$2,600,000. The real estate investment operations continued to produce satisfactory results in the year with the exception of Medical Inns of Canada Limited. This company was incorporated in 1971 to operate a real estate facility consisting of medical and dental suites, a hospital unit, paramedical support services and hotel facilities for patients and guests. Equity in the form of common shares was provided 52.28% by Imperial Life and 47.72% by a group of doctors and in the form of shareholder loans in approximately the same proportion.

The facilities became available for use late in 1973. The anticipated rate of growth in utilization was not achieved during 1974, placing in question the basic operating concept. In addition, the doctors who were in the founding group were unable to obtain a private

hospital license through the Ontario Ministry of Health. Various alternatives were explored without agreement or success.

On December 24, 1974, two minority shareholders filed a petition in bankruptcy against Medical Inns of Canada Limited in respect of their shareholder loans, which company on January 13, 1975 made a proposal under Part III of the Bankruptcy Act. This proposal was rejected at a meeting of creditors on January 31, 1975 resulting in bankruptcy. The Consolidated Financial Statements make full provision for the estimated decline in value of this investment.

The Imperial Life's consolidated assets increased by \$33,193,000 or 5.3% to a total of \$654,244,000. Included in the consolidated asset figure is an amount of \$69,783,000 representing the value of the Company's segregated funds. In the year, the value of these funds gained 18.1%. Part of this gain is represented by the transfer to segregated funds of the Company's liability for its Canadian staff pension plan, in the amount of \$6,400,000.

Funds available in the year for new investments amounted to \$67,900,000. Of this sum \$48,400,000 was in the Company's general funds and \$19,500,000 in the segregated funds.

The Company's net investment income from its general funds, in spite of the difficult conditions that prevailed in the year, increased by 8.9%. This brought the net investment yield to a new high level of 7.16%, an increase of .23% over 1973.

### Earnings and Surplus

Income, after policyholders' dividends and taxes for the year, and before adjustment for the two extraordinary items noted in the following paragraph, amounted to \$438,000. The corresponding amount in 1973 was \$369,000.

During the year, settlement of tax accounts for prior years resulted in substantial recoveries amounting to \$1,925,000. Offsetting this addition to income is an amount of \$6,100,000 which has been set aside from the revenue for the year as a provision covering the estimated decline in value of the Company's investment in Medical Inns of Canada Limited. The net adjustment to income for these two items was a reduction of \$4,175,000, giving an operating loss for the year, on a consolidated basis, of \$3,737,000.

### Earnings Per Share

The net income in the non-participating account and in the shareholders' account, after adjustment for the two extraordinary items, amounted to \$895,000 or \$4.47 per share. Earnings per share in 1973 were \$6.01.



## Planning for Imperial's Future

During 1974, the Company's Management Committee set out a new Statement of Purpose, Philosophy, Objectives and Management Principles to serve as a basis for establishing future operating plans.

A strategic planning program was launched, based on these principles and identifying some of the general objectives of the Company in today's ever changing environment.

A number of activities were initiated immediately as a result of the establishment of this planning framework.

A Cost/Profit Research Committee is developing a more precise and informative basis for measuring performance and profitability of operations.

An analysis is under way of the various functions performed throughout the Company's offices to ensure that each is essential to overall corporate requirements and that time and staff are being utilized to the best advantage.

More emphasis is being placed on human resource planning with the introduction of a new performance appraisal system which aids in identifying the advancement potential of personnel. Staff and management training programs are being updated and expanded. Job evaluation and salary administration systems are being improved.

A complete revision of staff and agent welfare benefits has been initiated including an upgrading of existing benefits and the introduction of new features. One of the objectives is to provide more benefit flexibility to fit the personal circumstances of each employee and agent.

The Company has taken a leading position in initiating a growing number of responsive actions to meet the increasing interests and concerns of consumers.

Policy cost data are now made available consistent with standards established by the industry, providing a common denominator for evaluating and comparing the costs of similar life insurance contracts issued by different insurers.

To those who say "We can't understand the policy you sold us," The Imperial Life is providing new policyholders with descriptive material which outlines in layman's language the salient features of the policy.

A "satisfaction or your money back" provision—usually covering a 10-day period following purchase—has been introduced by the Company, in which the client has an opportunity to ensure his contract is satisfactory, to seek independent advice if he chooses and to return the contract if it does not meet his requirements and receive full refund of any payments he has made.

A Consumer Affairs Bureau has been established to monitor the handling of communications from the public, from policyholders and from other clients, in situations where there is an indication of dissatisfaction or misunderstanding.

There have also been a number of innovations to improve two-way communications between Company personnel and management. These are proving to be popular and effective.

The problems and needs of life insurance clients are becoming increasingly complex. New regulations and new developments in the field of taxation, employee benefits and estate planning have given emphasis to the importance of providing well-qualified advice and good service in the life insurance market. With this in mind, an expanded training program was introduced by the Company during the year to upgrade the technical knowledge of the sales organization and to increase its expertise in all aspects of life insurance and pension services. Sales representatives are given assistance in attaining professional qualifications and post-graduate training programs have been expanded in all areas of the Company's operation.

These programs will make an important contribution to improving the quality of performance and of service in the Company.

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THE IMPERIAL LIFE ASSURANCE COMPANY OF CANADA  
(Incorporated under the laws of Canada)  
and subsidiary companies

**Consolidated Balance Sheet** as at December 31, 1974  
(with comparative figures at December 31, 1973)

ASSETS

	1974	1973
	(thousands of dollars)	
Bonds and debentures—at amortized cost (Note 2(ii)):		
Government - - - - -	\$66,690	\$69,044
Municipal - - - - -	9,256	11,077
Corporate - - - - -	<u>84,833</u>	<u>76,716</u>
	\$160,779	\$156,837
Preferred and common stocks— at cost (Note 2(ii)) - - -	74,037	73,531
Mortgages on real estate—at amortized cost - - - - -	230,943	218,299
Loans to policyholders, fully secured by the cash value of policies of this Company - -	42,371	35,183
Real Estate (Note 3):		
Properties under develop- ment—at cost - - -	784	10,889
Properties held for investment—at cost - -	44,035	31,536
Home Office and branch office premises—at cost -	<u>15,525</u>	<u>15,286</u>
	60,344	57,711
Less accumulated depreciation - - - - -	<u>10,283</u>	<u>9,266</u>
	50,061	48,445
Segregated investment funds' assets—at market value (Note 4) - - - - -	69,783	59,079
Cash and certificates of deposit -	10,006	15,554
Premiums in course of collection	4,368	3,659
Accrued investment income - -	6,002	5,642
Other assets - - - - -	<u>5,894</u>	<u>4,822</u>
	<u>\$654,244</u>	<u>\$621,051</u>

On behalf of the Board

A. ROSS POYNTZ, *Chairman of the Board*

G. KINGSLEY FOX, *President*





## LIABILITIES

	1974	1973
	(thousands of dollars)	
Present value of liabilities under assurance and annuity contracts (Note 5) - - - - -	\$423,159	\$400,076
Policy proceeds, dividends and other amounts on deposit - - - - -	36,300	35,785
Present value of liabilities under Company retirement funds (Note 6) - - - - -	23,586	27,380
Segregated investment funds' liabilities to policyholders	69,783	59,079
Provision for dividends to policyholders - - - - -	9,627	9,120
Policy claims in course of settlement and provision for unreported claims - - - - -	11,953	9,349
Bank loans and notes payable on real estate investments	10,366	10,671
Mortgages on real estate investments - - - - -	3,138	3,479
Income and premium taxes - - - - -	786	467
Other liabilities and provisions - - - - -	10,922	6,584
	<u>599,620</u>	<u>561,990</u>

## CAPITAL STOCK AND RETAINED EARNINGS

### Capital Stock

Authorized—200,000 shares of \$5 par value		
Issued—200,000 shares - - - - -	1,000	1,000
Shareholders' retained earnings - - - - -	2,454	2,204
Asset valuation, currency stabilization and business development reserves - - - - -	12,327	15,327
Retained earnings primarily for the protection of policyholders - - - - -	38,843	40,530
	<u>54,624</u>	<u>59,061</u>
	<u>\$654,244</u>	<u>\$621,051</u>

THE IMPERIAL LIFE ASSURANCE COMPANY OF CANADA  
and subsidiary companies

**Consolidated Statement of Income** for the year ended December 31, 1974  
(with comparative figures for 1973)

	1974	1973
	(thousands of dollars)	
INCOME		
Premiums (Note 7) - - - - -	\$ 98,389	\$ 91,550
Interest, dividends and rents after deduction of investment expenses (Note 8) - - -	38,763	35,597
Net realized capital gains - - - - -	1,014	1,048
Interest and dividends from segregated investment funds - - - - -	4,984	3,304
Net realized and unrealized capital gains (capital losses) on assets of segregated investment funds - - - - -	(12,497)	(6,763)
	<u>130,653</u>	<u>124,736</u>
THIS INCOME WAS USED FOR		
Death claims - - - - -	15,571	13,480
Disability and health insurance claims - - -	8,429	7,037
Matured endowments - - - - -	5,255	5,299
Annuity benefits - - - - -	3,844	3,258
Surrender value benefits - - - - -	20,345	18,255
Additions to funds held for future payments to policyholders - - - - -	23,403	25,483
Additions to segregated investment funds - -	4,303	7,061
Amounts credited to funds on deposit and Company retirement funds - - -	4,280	3,924
Commissions, branch office, agency and operating expenses - - - - -	33,632	29,767
	<u>119,062</u>	<u>113,564</u>
OPERATING INCOME - - - - -	11,591	11,172
Dividends to policyholders - - - - -	9,556	8,990
INCOME BEFORE TAXES - - - - -	2,035	2,182
Income and premium taxes - - - - -	1,597	1,813
INCOME AFTER TAXES - - - - -	438	369
Less:		
Estimated decline in value of subsidiary company investment (Note 10) - - -	\$ 6,100	
Recovery of prior years' taxes - - - - -	(1,925)	4,175
NET INCOME (LOSS)		
Non-participating account - - - - -	(55)	\$ 309
Shareholders' account - - - - -	950	893
*Non-participating and shareholders' account - - - - -	895	1,202
Participating life account - - - - -	(4,632)	\$ (833)
*Consolidated earnings per share (basis 200,000 shares) - - - - -	\$ 4.47	\$ 6.01



THE IMPERIAL LIFE ASSURANCE COMPANY OF CANADA  
and subsidiary companies

**Consolidated Statement of Retained Earnings** for the year ended December 31, 1974  
(thousands of dollars)

	Appropriated				Unappropriated			Share- holders
	Asset Valuation Reserve	Currency Stabilization Reserve	Business Develop- ment Reserve	Total	Partici- pating	Non- Partici- pating	Total	
Retained earnings, beginning of year	- \$10,676	\$1,266	\$3,385	\$15,327	\$32,160	\$8,370	\$40,530	\$2,204
Net Income (loss) for the year	- - -				(4,632)	(55)	(4,687)	950
Dividends to shareholders	- - -							(700)
Transfer of business development reserve and currency stabilization reserve to asset valuation reserve	- - - - -	4,651	(1,266)	(3,385)				
Release of portion of asset valuation reserve	- - - - -	(3,000)		(3,000)	3,000		3,000	
Retained earnings, end of year	- - - \$12,327	Nil	Nil	\$12,327	\$30,528	\$8,315	\$38,843	\$2,454

## Auditors' Report

To the Policyholders and Shareholders of  
The Imperial Life Assurance Company of Canada

We have examined the consolidated balance sheet of The Imperial Life Assurance Company of Canada and subsidiary companies as at December 31, 1974 and the consolidated statements of income and retained earnings for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances; the liabilities under assurance, annuity and company retirement fund contracts were determined and certified by the company's Actuary.

In our opinion, subject to the outcome of the matter referred to in note 10, based on our examination and the certificate of the Actuary, these consolidated financial statements present fairly the financial position of the companies as at December 31, 1974 and the results of their operations for the year then ended in accordance with accounting principles prescribed or accepted by the Department of Insurance of Canada applied on a basis consistent with that of the preceding year.

Toronto, Canada  
February 12, 1975

THORNE GUNN & CO.  
Chartered Accountants

THE IMPERIAL LIFE ASSURANCE COMPANY OF CANADA  
and subsidiary companies

Notes to Consolidated Financial Statements December 31, 1974

1. PRINCIPLES OF CONSOLIDATION

The Company follows the policy of consolidating the accounts of its subsidiary companies in the financial statements.

name of subsidiary	percentage of voting equity shares held	nature of business
Impco Properties Limited	100%	property investments
Impco Health Screening Limited	100%	medical examination service
Medical Inns of Canada Limited	52.28%	property investment

2. ACCOUNTING POLICIES

(i) The accompanying financial statements have been prepared in accordance with the requirements of the Department of Insurance of Canada, which basis is used for reporting in annual statements filed with the Department. The Department's requirements emphasize liquidity and solvency, and accordingly provide that:

- certain assets, such as office furniture and other non-admitted assets, are written off as expenses in the year acquired;
- the costs of acquiring new business are written off as expenses in the year incurred;
- the income tax charge against operations and the related liability are determined using the "taxes payable" method.

(ii) The bonds and stocks as shown are recorded at book values. The Canadian and British Insurance Companies Act permits an adjusted provision under section 71(4) (b) (ii) in a year in which market values are depressed. The adjustment effectively requires that a provision of one-third of the spread between book values and authorized values be provided by earmarking of retained earnings. The asset valuation reserve of \$12,327,000 is more than sufficient to meet this requirement.

		1974		1973	
		book values	authorized values	book values	authorized values
bonds	- - - -	\$160,779,000	\$134,241,000	\$156,837,000	\$139,604,000
stocks	- - - -	74,037,000	67,625,000	73,531,000	91,465,000
		<u>\$234,816,000</u>	<u>\$201,866,000</u>	<u>\$230,368,000</u>	<u>\$231,069,000</u>

(iii) Sterling block items are translated into Canadian dollars at \$2.34 and Jamaica items at \$1.10. United States, Bahamas and Bermuda dollars and Cuban pesos are translated at \$1.00. British Honduras and Trinidad and Tobago dollars are translated at \$.50. The asset valuation reserve is maintained to also cover fluctuations in exchange rates. There would be no material effect by translating at current rates of exchange at December 31, 1974.

3. REAL ESTATE

No depreciation was recorded on the properties under development. Depreciation on properties held for investment and home and branch office premises is computed on a straight-line basis ranging from 1½% to 2½% per annum.

4. SEGREGATED FUNDS

The liability to policyholders equals the net assets in each fund. The Consolidated Statement of Income includes all operating transactions of the segregated funds. The net assets of each fund amount to:

		1974	
group contract funds			
Bond	- - - - -	\$ 2,360,000	\$ 1,245,000
Equity	- - - - -	7,916,000	9,715,000
Mortgage	- - - - -	20,765,000	19,784,000
Mixed	- - - - -	25,023,000	14,409,000



individual contract funds	1974	1973
Great Britain Growth - - - - -	\$ 8,016,000	\$ 8,645,000
Great Britain Pension Growth - - - - -	1,581,000	704,000
Impco Growth - - - - -	1,059,000	1,364,000
Impco Retirement Growth - - - - -	3,063,000	3,133,000
	<u>\$ 69,783,000</u>	<u>\$ 68,070,000</u>

#### 5. ACTUARIAL LIABILITIES

Liabilities for life insurance policies for financial reporting purposes are generally established and maintained on either the net level premium basis or the Canadian modified basis. Liabilities for individual health insurance are determined on a two-year preliminary term basis and for group health insurance on the basis of unearned premiums plus an additional reserve.

The actuarial liabilities by life and health amount to:

	1974	1973
life		
participating - - - - -	\$301,000,000	\$248,891,000
non-participating - - - - -	120,942,000	115,751,000
health		
individual - - - - -	878,000	658,000
group - - - - -	339,000	332,000
	<u>\$423,159,000</u>	<u>\$400,070,000</u>

#### 6. PENSION PLAN

The Company has contributory pension plans covering substantially all of its employees and branch managers and retirement benefit arrangements for its full-time agents. The total liability in all funds is made up as follows:

	1974	1973
general funds		
active employees - - - - -	\$ 13,034,000	\$ 15,545,000
retired employees - - - - -	10,552,000	8,542,000
	23,586,000	27,087,000
segregated funds		
active employees - - - - -	6,420,000	
	<u>\$ 30,006,000</u>	<u>\$ 27,087,000</u>

#### 7. PREMIUM INCOME

Premium income was derived from the following lines of business:

	1974	1973
participating individual life - - - - -	\$ 36,463,000	\$ 33,847,000
participating individual annuity - - - - -	11,454,000	9,570,000
non-participating individual life - - - - -	11,613,000	11,245,000
non-participating individual annuity - - - - -	2,087,000	4,134,000
group life - - - - -	9,317,000	7,676,000
group annuity - - - - -	2,474,000	2,674,000
personal health - - - - -	1,323,000	1,087,000
group health - - - - -	9,983,000	7,472,000
segregated funds - - - - -	13,675,000	13,675,000
	<u>\$ 98,389,000</u>	<u>\$ 91,684,000</u>

#### 8. INTEREST, DIVIDENDS AND RENTS

The investment expenses deducted from investment income are:

	1974	1973
general investment expenses - - - - -	\$ 2,762,000	\$ 2,552,000
real estate taxes - - - - -	852,000	737,000
depreciation - - - - -	1,055,000	981,000
	<u>\$ 4,669,000</u>	<u>\$ 4,120,000</u>

#### 9. SHAREHOLDERS' ACCOUNT

The transfer from the participating life account to shareholders' account is \$749,000 (1973—\$704,000) or 7½% of the distributions from the participating account as limited by section 84 of the Canadian and British Insurance Companies Act.

#### 10. MEDICAL INNS OF CANADA LIMITED

Medical Inns of Canada Limited made a proposal to its unsecured creditors under Part III of the Bankruptcy Act as of January 13, 1975. This proposal was not accepted by a meeting of creditors held on January 31, 1975, thus resulting in its bankruptcy. Based upon the information available, the Company has estimated that the amount of \$6,100,000 shown in the Consolidated Statement of Income will fully provide for the decline in value of this investment.

## Six-Year Review (dollar amounts in thousands)

	1974	1973	1972	1971	1970	1969
Revenue						
Premiums - - - -	\$ 98,389	\$ 91,550	\$ 81,131	\$ 76,277	\$ 62,767	\$ 59,147
Interest, dividends and rents - - - -	43,747	38,901	34,508	32,404	30,260	28,290
Total paid or credited to policyholders and beneficiaries excluding dividends - - - -	85,430	83,797	85,455	77,249	59,569	55,707
Dividends to policyholders - - - -	9,556	8,990	8,813	8,414	7,539	7,285
Commissions, branch office, agency and operating expenses -	33,632	29,767	24,357	22,929	20,656	19,937
Dividends to shareholders - - -	700	640	560	510	480	480
Total assets - - - -	654,244	621,051	574,184	537,470	501,732	482,820
Life Insurance in Force - \	4,963,307	4,286,669	3,770,815	3,306,376	3,107,109	2,757,791
Net rate of interest earned ~	7.16%	6.93%	6.66%	6.54%	6.38%	6.22%
Earnings per share - -	\$4.47	\$6.01	\$5.44	\$11.43	\$2.20	\$7.49
Number of agents - -	702	702	633	626	656	644
Number of employees -	1,203	1,155	1,096	1,116	1,142	1,163

## Summary of Capital and Retained Earnings at December 31 (thousands of dollars)

	1974	1973	1972	1971	1970	1969
Appropriated						
Participating Account						
Asset Valuation Reserve - - - -	\$ 9,057	\$ 8,332	\$ 8,332	\$ 8,332	\$ 8,332	\$ 3,445
Currency Stabilization Reserve - - -	—	925	925	1,580	1,230	1,230
Business Development Reserve - -	—	2,800	2,810	2,810	2,810	3,610
Non-Participating Account						
Asset Valuation Reserve - - - -	3,270	2,344	2,344	1,944	2,067	899
Currency Stabilization Reserve - - -	—	341	341	420	270	270
Business Development Reserve - -	—	584	840	1,240	1,140	1,340
Shareholders						
Capital Stock - - - - -	1,000	1,000	1,000	1,000	1,000	1,000
Retained Earnings - - - - -	2,454	2,204	1,951	1,635	1,342	1,109
Unappropriated						
Participating Account						
Life Retained Earnings - - - - -	30,528	32,160	32,983	33,517	33,339	32,770
Non-Participating Account						
Life Retained Earnings - - - - -	7,381	7,379	6,533	6,344	5,244	5,299
Health Retained Earnings - - - -	934	992	1,273	1,254	998	748



## Executive Officers

A. ROSS POYNTZ, F.C.I.A.  
*Chairman of the Board*

President

PAUL DESMARAIS

*Vice-President and Chairman of the Executive Committee of the Board*

WILLIAM G. MUNRO, F.L.M.I.  
*Executive Vice-President*

A. ROSS MacDONALD, F.C.I.A.  
*Actuarial Vice-President*

DAVID M. MILLYARD, F.C.I.A.  
*Administrative Vice-President*

JOHN B. PURDY, C.F.A., F.L.M.I.  
*Financial Vice-President*

GRANT D. SYLVESTER, C.L.U.  
*Agency Vice-President*

CHARLES BLATT, F.C.A.  
*Executive Officer—Group Insurance*

JOHN J. BREITHAUP  
*Executive Officer—Personnel*

JAMES C. EMMETT, M.D.  
*Medical Director*

HAROLD F. FLETCHER  
*Director of Canadian Agency Operations*

G. JAMES HUNTER, C.L.U.  
*Director of Group Sales*

GORDON H. JOHNSON, F.C.A., F.L.M.I.  
*Comptroller*

WALLACE R. JOYCE, F.C.I.A.  
*Executive Officer—Research*

ANDREW S. LeMESURIER  
*General Counsel*

JOHN H. McMEekin, C.F.A., F.L.M.I.  
*Treasurer*

THOMAS A. MILBURN, F.C.I.A.  
*Executive Officer—Data Processing*

WILLIAM L. STANLEY, F.L.M.I.  
*Director of Marketing Services*

E. HAROLD WYKES  
*Secretary and Counsel*

## In Great Britain

CLIFFORD T. HACKETT

*Vice-President and General Manager for Great Britain*

JOHN A. KEMPTON  
*Assistant General Manager for Great Britain*

ERIC A. PERCIVAL  
*Resident Secretary*

J. NIGEL SCOTT, F.I.A.  
*Resident Actuary*

## Other Officers

DONALD C. F. AKEHURST  
*Agency Administrative Officer*

L. KEITH DEEPROSE, F.L.M.I.  
*Associate Data Processing Officer*

ROBERT G. LEWTHWAITE, C.L.U.  
*Quality Control Officer*

D. LORNE BLEECKER, F.C.I.A.  
*Associate Actuary*

W. D'ARCY DOLAN  
*Public Relations Officer*

JOHN D. OGDEN, C.L.U.  
*Advanced Marketing Officer*

ALAN R. BRERETON, F.C.I.A.  
*Associate Actuary*

R. LEWIS DUNN, F.C.I.A.  
*Associate Actuary—Group Insurance*

JOSEPH J. PIETROSKI  
*Associate General Counsel*

WILLIAM R. BROWN, F.L.M.I.  
*Associate Administrative Officer*

NORMAN A. FORAN  
*Associate Director, U.S. Agencies*

GLENN R. SWANICK, F.C.I.A.  
*Associate Actuary—Group Insurance*

A. BRUCE BROWNE, F.L.M.I.  
*Group Administrative Officer*

MICHAEL A. HALE, F.C.I.A.  
*Associate Actuary*

W. ALAN TEETER, C.L.U.  
*Superintendent of Agency Operations*

DONALD BURNS  
*Sales Development Officer*

F. MURRAY HALL, M.D., F.R.C.P. (C)  
*Associate Medical Director*

PETER M. WALTER, C.F.A., F.L.M.I.  
*Associate Treasurer*

W. DALE COSBURN, F.C.I.A.  
*Group Actuary*

RANDAL W. N. KENNY, C.A., F.L.M.I.  
*Associate Comptroller*

A. MARTIN N. WILSON, C.A.  
*Associate Comptroller*

RONALD V. BALL, F.L.M.I.  
*Assistant Agency Administrative Officer*

ROBERT W. HAIG  
*Assistant General Counsel*

JEAN-LOUIS MELANSON  
*Assistant Investment Officer*

WALTER C. BARCLAY, C.L.U.  
*Assistant Advanced Marketing Officer*

WILLIAM J. HILL, F.L.M.I.  
*Administrative Systems Officer*

JOHN E. MORRISON, F.L.M.I.  
*Data Systems Officer*

D. WALLACE BARR  
*Premises Officer*

R. GARTH HUTCHINSON, F.C.I.A.  
*Systems Programming Officer*

KENNETH C. RIVERS, A.C.I.S.  
*Assistant Administrative Officer*

DOUGLAS R. BELL, F.L.M.I.  
*Assistant General Counsel*

WAYNE R. MAXWELL, F.L.M.I.  
*Assistant Agency Administrative Officer*

DONALD R. ROBERTS, F.L.M.I.  
*Data Systems Officer*

J. PAUL CAIRNS, C.L.U.  
*Assistant Superintendent of Agency Operations*

BRYCE K. McBAIN  
*Field Office Administrative Officer*

BRUCE G. SAUNDERS, S.R.E.A.  
*Real Estate Development Officer*

DOUGLAS C. COOKE, C.A., F.L.M.I.  
*Assistant Comptroller*

ALAN D. McCONNELL  
*Assistant Administrative Officer*

WAYNE E. SINCLAIR, F.L.M.I.  
*Group Underwriting Officer*

WILLIAM A. COPELAND  
*Property Management Officer*

A. DAVID McFARLANE, F.C.I.A.  
*Assistant Actuary—Group Insurance*

MISS MARION E. WILLIAMS, F.L.M.I.  
*Underwriting Officer*

DANIEL M. FLEMING, M.D., D.P.H.  
*Associate Medical Director*

MISS MARY T. MEGAFFIN  
*Personnel Officer*

GEORGE C. WILSON, C.A., F.L.M.I.  
*Assistant Comptroller*

## In Great Britain

GEORGE LAWTON  
*Superintendent of Field Training*

GEORGE K. C. RETTIE, M.D.  
*Medical Officer*

CECIL W. WARD  
*Resident Director of Agencies*

ERIC R. PATON  
*Superintendent of Agencies*

MICHAEL C. SPILLMAN  
*Superintendent of Agencies*

DAVID G. PETERS, A.C.I.S., A.C.I.I.  
*Administrative Officer*

ROGER H. A. WAIN  
*Resident Associate Treasurer*

PETER C. N. POOLMAN, F.C.I.I.  
*Superintendent of Agencies*

WILLIAM A. FOOTE  
*Assistant Administrative Officer*

WALLACE LAW, F.I.A.  
*Assistant Resident Actuary*

ALAN J. JOHNSTON, M.I.O.M. (Dip)  
*Systems and Planning Officer*

W. NICHOLAS ANDERTON, F.I.A.  
*Associate Resident Actuary*

MISS ELIZABETH F. HOGG  
*Personnel and Training Officer*

RONALD F. AGATE  
*Assistant Administrative Officer*

## Principal Imperial Life Offices

**HEAD OFFICE** Imperial Life Building  
95 St. Clair Avenue West, Toronto, Canada M4V 1N7

## Branch Offices in Canada (Locations and Managers)

BARRIE, ONT.	- - - - -	W. J. Miller	OSHAWA, ONT.	- - - - -	H. W. Killam, C.L.U.
BRANDON, MAN.	- - - - -	H. G. Hicks, C.L.U.	OTTAWA, ONT.	- - - - -	G. J. G. Arnold
CALGARY, ALTA.	- - - - -	R. D. McCorquodale, C.L.U.	PENTICTON, B.C.	- - - - -	W. H. Gerwing
CHANDLER, QUE.	- - - - -	P.-E. Levesque	QUEBEC, QUE.	- - - - -	C. S. Gourdeau, C.L.U.
CHARLOTTETOWN, P.E.I.	- - -	W. H. Tomilson	REGINA, SASK.	- - - - -	J. M. Kane, C.L.U.
EDMONTON, ALTA.	- - - - -	C. C. Kuhnke	RIMOUSKI, QUE.	- - - - -	L. Couture
HALIFAX, N.S.	- - - - -	W. L. Charlton	ST. CATHARINES, ONT.	- - - - -	R. A. Newton, C.L.U.
HAMILTON, ONT.	- - - - -	W. S. Lillie, C.L.U.	ST. JOHN'S, NFLD.	- - - - -	C. V. LeMessurier
KINGSTON, ONT.	- - - - -	E. W. Stewart-Normans	SASKATOON, SASK.	- - - - -	W. J. Franz, C.L.U.
KITCHENER, ONT.	- - - - -	H. W. Lippel	SHERBROOKE, QUE.	- - - - -	G. Fontaine
LONDON, ONT.	- - - - -	J. B. Glover, C.L.U.	THETFORD MINES, QUE.	- - -	D. L. Comtois
MONCTON, N.B.	- - - - -	D. B. MacKay, C.L.U.	TORONTO, ONT.	- - - - -	J. M. Ferguson, C.L.U.
MONTREAL, QUE.	- - - - -	G. W. Johnson, C.L.U.	TORONTO, ONT.	- - - - -	F. E. Murphy, C.L.U.
MONTREAL, QUE.	- - - - -	R. V. Roberts, C.L.U.	TORONTO, ONT.	- - - - -	F. D. Palmer, C.L.U.
MONTREAL, QUE.	- - - - -	E. W. Tobin, C.L.U.	TORONTO, ONT.	- - - - -	G. A. Wilson, C.L.U.
MONTREAL, QUE.	- - - - -	J. G. G. Lefebvre	VANCOUVER, B.C.	- - - - -	J. A. C. MacIntosh, C.L.U.
NORTH BAY, ONT.	- - - - -	H. K. Kay, C.L.U.	VICTORIA, B.C.	- - - - -	D. A. B. Hall, C.L.U.
			WINNIPEG, MAN.	- - - - -	W. H. Kamineski

## Sales Offices in Canada

BRITISH COLUMBIA, Kamloops, Prince George; SASKATCHEWAN, Prince Albert; ONTARIO, Belleville, Brockville, Chatham, Kirkland Lake, Niagara Falls, Peterborough, Sarnia, Stratford, Sudbury, Thunder Bay, Welland, Windsor, Woodstock; QUEBEC, Levis; NEW BRUNSWICK, Saint John; NOVA SCOTIA, Sydney; NEWFOUNDLAND, Corner Brook.

## Group Insurance Offices in Canada

CALGARY, ALTA.	- - - - -	B. J. Entwistle, C.L.U.	TORONTO, ONT.	- - - - -	D. R. Eadie, C.L.U.
MONTREAL, QUE.	- - - - -	G. P. Nolin, C.L.U.	TORONTO, ONT.	- - - - -	J. T. Wilkins, C.L.U.
MONTREAL, QUE.	- - - - -	K. M. Sopora, C.L.U., F.L.M.I.	VANCOUVER, B.C.	- - - - -	D. G. Emo, C.L.U.

Also Group Insurance Sales Offices in Ottawa, Ont., Windsor, Ont., Winnipeg, Man.

## Mortgage Offices in Canada

CALGARY, ALTA.	- - - - -	R. R. Rowland	QUEBEC, QUE.	- - - - -	J. Castonguay
KITCHENER, ONT.	- - - - -	F. W. Coffin	TORONTO, ONT.	- - - - -	D. M. Johnston, A.A.C.I., S.R.A.
MONTREAL, QUE.	- - - - -	R. Cusson, E.A.	VANCOUVER, B.C.	- - - - -	K. K. Jerome, A.A.C.I., M.A.I.



## Branch Offices in U.S.A.

CLEVELAND, OHIO - - - - - L. G. Donald, Jr.  
EAST LANSING, MICH. - - - - - L. J. Cook  
FLINT, MICH. - - - - - J. A. Vierheilig  
ORANGE, CALIF. - - - - - W. H. Wilson

SAN DIEGO, CALIF. - - - - - R. F. Baxter  
SAN JOSE, CALIF. - - - - - R. H. Miner  
SOUTHFIELD, MICH. - - - - - J. D. Kelly  
WALNUT CREEK, CALIF. - - - - - R. P. Peirce

## Branch and Sales Offices in the South

KINGSTON, JAMAICA - - - - - S. A. Balfour, A.C.I.I.  
NASSAU, BAHAMAS - - - - - J. W. Pinder

PORT-OF-SPAIN, TRINIDAD - - - C. F. C. Rooks  
SAN FERNANDO, TRINIDAD

## Regional Offices

QUEBEC REGION (MONTREAL) - E. G. Pare  
SOUTHERN REGION (NASSAU) - D. Holland

## Imperial Life Offices in Great Britain

**CHIEF OFFICE** Imperial Life House  
London Road  
Guildford, Surrey GU1 1TA

## Branch Offices (Locations and Managers)

BIRMINGHAM - - - - - R. E. Bennett  
CARDIFF - - - - - B. J. Cross  
CROYDON - - - - - C. C. Myers  
GLASGOW - - - - - C. D. H. MacLean  
HOVE - - - - - J. C. Ager  
KINGSTON-ON-THAMES - - - R. A. Knox-Johnston  
LEEDS - - - - - P. A. Dodds  
LEICESTER - - - - - N. G. Ruddock-Brown  
LIVERPOOL - - - - - D. G. Kearon  
LONDON - - - - - C. H. H. Barnett  
LONDON - - - - - B. G. Cook  
LONDON - - - - - P. N. Crookenden  
LONDON - - - - - A. Csaky  
LONDON - - - - - J. A. Jacobs

LONDON - - - - - G. H. King  
LONDON - - - - - B. A. Lane  
LONDON - - - - - D. S. Lee  
LONDON - - - - - B. Roden  
LONDON - - - - - D. Schiff  
MANCHESTER - - - - - G. Ratcliffe  
NORTHAMPTON - - - - - P. B. Bowring  
NOTTINGHAM - - - - - O. S. Tame  
OXFORD - - - - - J. E. Barlow  
PLYMOUTH - - - - - A. H. Evans  
ST. ALBANS - - - - - C. G. Buzzacott  
SIDCUP - - - - - C. W. M. Frampton  
SOUTHAMPTON - - - - - J. F. Wilson  
WEMBLEY - - - - - C. Burman

## Group Insurance Office

LONDON - - - - - P. J. West



The Annual Meeting of the Company is held at 2.30 p.m. on the third Wednesday in March. Each person who has contracted for and holds a participating policy may attend and vote in person or by proxy at meetings of the Company. Proxy forms may be obtained on written request to the Secretary.





